Item No. 1008-D

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96TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 96-1473

AUTHORIZING THE SECRETARY OF AGRICULTURE TO CONVEY CERTAIN LANDS IN THE STATE OF ARIZONA, AND FOR OTHER PURPOSES

NOVEMBER 21, 1980.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. UDALL, from the Committee on Interior and Insular Affairs, submitted the following

COMPLETED ORIGINAL

REPORT

[To accompany S. 1985]

[Including the cost estimate of the Congressional Budget Office]

The Committee on Interior and Insular Affairs, to whom was referred the act (S. 1985) to authorize the Secretary of Agriculture to convey certain lands in the State of Arizona, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

That (a) the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") is authorized to convey by quitclaim deed, subject to the provisions of subsections (b) and (c) of this section, all right, title, and interest of the United States in and to the following described tract of lands and improvements thereon:

GILA AND SALT RIVER MERIDIAN

(Coconino County, Arizona)

Township 21 North, Range 7 East

Section 15:
North half northeast quarter,
Northeast quarter northwest quarter,
Northeast quarter southeast quarter northwest quarter northwest quarter,
North half southeast quarter southeast quarter northwest quarter northwest quarter.

Section 16:
South half northeast quarter northeast quarter northwest quarter,
Northwest quarter northeast quarter northwest quarter,
South half northeast quarter northwest quarter,
Northwest quarter northwest quarter,
North half northeast quarter southwest quarter northwest quarter,

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(7)

Southeast quarter northeast quarter southwest quarter northwest quarter,
North half northwest quarter southwest quarter northwest quarter,
East half southeast quarter southwest quarter northwest quarter,
Southeast quarter northwest quarter.

The area described contains 256.25 acres more or less.

(b)(1) Any conveyances pursuant to subsection (a) of this section shall be conditioned upon the Secretary entering into agreements or land exchanges, sufficient to assure the Secretary that any party with whom such agreements or land exchanges are to be made will construct on a site to be determined by the Secretary, administrative improvements equal in value to the lands and improvements authorized to be conveyed by subsection (a) of this section. The lands and improvements may be conveyed by a series of transactions or land exchanges.

(2) Each party to whom conveyances are to be made may, in the discretion of the Secretary, deposit cash in an amount not less than the fair market value, to be determined at the time of conveyance, of the lands and improvements conveyed. The cash so received shall be deposited into a special fund in the Treasury which when appropriated is authorized to remain available until expended by the Secretary for the purposes of constructing administrative improvements as described in this Act. If the value of any land and improvements thereon authorized to be conveyed by subsection (a) of this section exceeds the value of administrative improvements determined to be necessary by the Secretary to be constructed with respect to such land under this Act, the party to whom such conveyance is to be made shall make a cash payment to the United States in an amount equal to such difference in value.

(c)(1) Of the tract of land described in subsection (a) of this section, the Secretary shall offer to sell at the fair market value, as determined on the date of enactment of this Act, to the Flagstaff Medical Regional Center, Flagstaff, Arizona, not to exceed 18.25 acres immediately adjacent to said Flagstaff Medical Regional Center and to the city of Flagstaff, Arizona, not to exceed 132.5 acres, under special use permit in effect on the date of enactment of this Act to the city of Flagstaff. Such offers to sell to the Flagstaff Medical Regional Center and to the city of Flagstaff shall remain in effect for periods of not to exceed 3 years and 10 years, respectively. Subject to the limitations contained in this paragraph, the city of Flagstaff and the Flagstaff Medical Regional Center may identify any specific tracts of land they want to purchase.

(2) Except for any land to be conveyed to the Flagstaff Medical Regional Center and the city of Flagstaff, the Secretary shall solicit public offers for the remaining lands and improvements authorized under subsection (a) of this section. All offers shall be publicly opened at the time and place stated in the solicitation in accordance with the administrative requirements of the Secretary. The Secretary shall consider price and land values before entering into agreements or land exchanges with any party whose offer conforming to the solicitation notice is determined by the Secretary to be most advantageous to the Government. Notwithstanding any other provision of this Act, the Secretary may reject any offer if the Secretary determines that such rejection is in the public interest.

Sec. 2(a) The Secretary of the Interior (hereafter in this section referred to as the Secretary) shall convey by quitclaim deed, without consideration, to the owners that appear on record in the office of the county recorder, Pima County, Arizona, any right, title, or interest, including any mineral rights, which the United States may have in and to the real property described in subsection (b) of this section.

(b) The real property referred to in subsection (a) of this section consists of four separate strips of land that extend for a total distance of nearly four miles, designated as roadways in a certain White Survey, dated December 15, 1876, made pursuant to an Act of Congress dated February 5, 1875, crossing sections 2, 11, and 14, and the east half of sections 3 and 10 of township 14 south, range 13 east of the Gila and Salt River base and meridian, in Pima County, Arizona.

(c) As soon as practicable after the date of enactment of this Act, the Secretary shall cause to be prepared a quitclaim deed effecting the title transfer described in section 1, and shall record such deed in the office of the county recorder, Pima County, Arizona.

(d) Within one year after the date of enactment of this Act, the Secretary shall notify all individuals or other legal entities which, as of the date of such notice, appear upon the tax rolls of Pima County, Arizona, as the owners of lands referred to in subsection (b) of this section, or of interests in such lands—

(1) of the conveyance by the United States of its interests in such lands under section 1 of this Act,

(2) of the possible defect in the title to such lands resulting from such interests of the United States, and

(3) of the opportunity to record a quitclaim deed evidencing the conveyance described in subsection (a) of this section in the records of the affected grantee.

SEC. 3. The Act of March 14, 1978 (92 Stat. 154), is amended as follows:

(a) In section 1(a), in the first sentence, delete the phrase "two-year", and change "September 30, 1980" to "September 30, 1985"; and

(b) In section 1(c) strike the second sentence in its entirety and insert the following: There is authorized to be appropriated an amount not to exceed $1,500,000 annually for fiscal years 1979 through 1982 to carry out the provisions of this Act: *Provided*, That any appropriations made pursuant to this Act shall be reduced by the amount of any payments made to said districts pursuant to the Acts of September 23, 1950 (64 Stat. 906), as amended (20 U.S.C. 631 et seq.), and September 30, 1950 (64 Stat. 1100), as amended (20 U.S.C. 236 et seq.). For the authorizations made in this subsection, any amounts authorized but not appropriated in any fiscal year shall remain available for appropriation in succeeding fiscal years.

SEC. 4. Any mining claim located under the Mining Laws of the United States subsequent to June 18, 1879, and prior to January 17, 1969, in the Northwest quarter of the Northwest quarter of Section 9, Township 1 north, Range 5 East of the Gila and Salt River Base and Meridian, State of Arizona, shall be effective to the same extent in all respects as if such lands at the time in location, and at all times thereafter had been open to the operation of the Mining Laws of the United States; *provided*, however, that the claimants have complied with all requirements of the Mining Laws of the United States, including Section 314 of the Federal Land Policy and Management Act of 1976 and that the claims would be subject to any valid intervening rights by private parties under the laws of the United States.

Amend the title so as to read:

To authorize the Secretary of Agriculture to convey certain lands in the State of Arizona, to authorize the Secretary of the Interior to convey certain interests in lands in the State of Arizona, to amend the Act of March 14, 1978 (92 Stat. 154), and for other purposes.

PURPOSES

S. 1985, as amended, combines the provisions of the Senate-passed bill of that number with those of H.R. 8271 (providing for the transfer by quitclaim of certain interests of the United States in lands in Tucson, Arizona) and of section 4 of S. 1803 which extends the authorization for certain federal assistance to a school district in Grand Canyon National Park, Arizona.

SECTION-BY-SECTION ANALYSIS: BACKGROUND, NEED, AND EFFECT

Section 1

Section 1 would authorize the Secretary of Agriculture to convey by sale or exchange two tracts within the Coconino National Forest, each of which is within the city limits of Flagstaff, Arizona. One tract contains about 124 acres and is the Knob Hill Administrative site of the Coconino National Forest. The Flagstaff Regional Medical Center,

immediately adjacent to the tract, currently uses a portion of the site as a parking lot under a special use permit. The Medical Center needs to expand its facilities to meet long-term community needs. This need can be met by conveyance of about 18 acres of the Administrative Site, that contains the existing Forest Service facilities. The Medical Center would have three years in which to complete the purchase. The balance of the 124 acre site would no longer be appropriate for National Forest purposes and would be made available for sale or exchange to private parties on a competitive basis. The second tract contains about 132.5 acres and has been since 1917 under continuous special use permit to the city of Flagstaff for public park purposes. Under the provisions of S. 1985, the offer to sell this tract to the city would remain open for 10 years.

The bill requires that the parties who receive the conveyed land shall construct administrative improvements equal in value to the lands and improvements sold. This could be accomplished, at the discretion of the Secretary, by a deposit of cash into a special fund which would be available upon appropriation for the construction of replacement facilities for the Knob Hill Administrative Site. A suitable site is available on National Forest land several miles east of the city. The purchaser would pay any difference between the cost of constructing the new administrative facilities and the amount of the lands and improvements sold into the General Treasury; thus there would be no significant net cost to the Federal government.

Section 2

Section 2 will provide a mechanism to clear the title to certain strips of land in the downtown area of Tucson, Arizona, by directing the Secretary of the Interior to quitclaim the interest of the United States in such strips of land.

An Act of Congress, dated February 5, 1875, and enacted by the Forty-third Congress, granted title to certain lands in the territory of Arizona to persons who had been in actual possession of the lands for the previous twenty years. Pursuant to that Act the affected land was surveyed, and a map was prepared delineating the boundaries of the various parcels, as then occupied by the grantees. The map, known as the White Survey, dated December 15, 1876, also designated certain strips of land as roadways, consistent with the use at that time. Title to those roadways was not transferred under this Act, but remained with the United States.

The land ownership and use pattern in this area today does not resemble the 1876 situation. No longer used as roads, several of the strips of land cut across existing residential subdivisions, public buildings, a golf course, city streets, a railroad, and an interstate highway.

Many of the present landowners are unaware of this defect in their title; their deeds do not reflect the fact that title to the strips are in the United States. The landowners' respective tax assessments have included a tax levied on the strips because the Pima County tax assessor's records do not indicate ownership in the United States.

Section 2 will conform the record title of these strips of land with title as tacitly understood in the community and reflected in the Pima County tax rolls. The United States does not desire to retain title

to this land, and the title transfer authorized by this bill will not involve an exchange of consideration, nothwithstanding the provisions of the Federal Land Policy and Management Act, 43 U.S.C. § 1701 *et seq.* Additionally, by using a quitclaim deed the United States does not warrant the title it transfers by this bill; the land remains subject to any existing encumbrances, liens, easements or other conflicting interests.

The section directs the Secretary of the Interior to prepare a quitclaim deed to transfer the title that the United States holds to the persons and other legal entities in possession of the land as of the date of the deed. It is contemplated that the grantees will not be individually identified in the deed, but will be referred generally as owners that appear on record in the office of the Pima County Recorder. The Secretary shall then record the quitclaim deed in the Pima County Recorder's Office, Arizona, in order to clear up the cloud on the various titles.

Within one year after the date of enactment of this bill, the Secretary shall publish legal notice, in a newspaper of general circulation in Tucson, that the United States has quitclaimed its interest in the land. Such notice shall include the fact that although the Secretary has recorded a deed, an individual landowner may want to record a quitclaim deed under his or her particular name to avoid any ambiguities in the grantor-grantee index. The landowner will prepare the individual quitclaim deed, and the Secretary will, upon request, cooperate with the individual by satisfying any state law requirements of grantors for quitclaiming an interest in land, for example the necessity of having the grantor's signature on the deed. No recording costs incurred by a landowner in recording an individual quitclaim deed will be paid for by the United States.

The United States is disclaiming all interest, including any interest in the mineral deposits on these strips of land, to the record owners, because the small size of the strips renders any minerals located thereon of only nominal value, and because the United States did not reserve mineral rights on the surrounding land when originally patented pursuant to the 1875 Act of Congress. The Committee intends no reservation of mineral rights by the United States by this bill, notwithstanding section 209 of the Federal Land Policy and Management Act, 43 U.S.C. § 1719.

Section 3

Section 3 will extend Public Law 95–244, which provides financial assistance to the Grand Canyon school district for an additional two years and will also allow any funds authorized to remain available until appropriated through 1985.

Financial conditions being experienced by the Grand Canyon school district are no less severe today than when the law was enacted. The entire district lies wholly within the Grand Canyon National Park, which results in a very low tax base. Over 80 percent of the district's students are dependents of people who pay no property taxes, so the remaining small percentage is, in effect, subsidizing the education of the dependents of these Federal and concessionaire employees. Further, the largest taxpayer, the Atchison, Topeka and Santa Fe Railroad is

presently negotiating to sell its rights-of-way. When the sale takes place, the rights-of-way will revert to the status of untaxable Federal land dealing a crushing blow to the remaining taxpayers who will have to make up the loss.

The district receives no funds from the in-lieu-of-tax program, and for the 1977–78 school year received just $114,000 in impact aid funds.

To date, the district has received $750,000 under Public Law 95–244—less than one-third of the authorization. Enactment of this section will permit the district to receive those funds that were authorized when they are appropriated. Additionally, the amendment extends the authorization through 1982, but would permit the district to receive funds, if appropriated, through 1985.

COST AND BUDGET ACT COMPLIANCE

The bill should result in no significant administrative costs to the United States, and the transfers authorized by the provisions of section one could result in a net gain to the Federal government. The estimate of the Congressional Budget Office follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

NOVEMBER 18, 1980.

1. Bill number: S. 1985.

2. Bill title: A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Arizona, and for other purposes.

3. Bill status: As ordered reported by the House Committee on Interior and Insular Affairs, November 18, 1980.

4. Bill purpose: This bill authorizes the Secretary of Agriculture to sell or exchange certain land and improvements for fair market value, and directs the Secretary of the Interior to convey by quitclaim deed all rights to certain other lands to owners of record. In addition, the bill authorizes the Secretary of the Interior to reimburse appropriate school districts for specific services for fiscal years 1981 through 1985, and authorizes the appropriation of up to $1.5 million for fiscal years 1981 and 1982 for such reimbursement.

5. Cost estimate:

	Millions
Estimated authorization level:	
Fiscal year:	
1981	$1.5
1982	1.5
1983	——
1984	——
1985	——
Estimated outlays:	
Fiscal year:	
1981	.6
1982	.6
1983	.6
1984	.6
1985	.6

The costs of this bill fall within budget subfunction 302.

6. Basis of estimate: The first section of this bill authorizes the Secretary of Agriculture to sell or exchange land and improvements for fair market value. The amount received is to be deposited into a

special fund and, upon appropriation, is to be used to construct replacement facilities elsewhere. Based on information from the National Forest Service, it is estimated that the value of the land and improvements involved is approximately $3 million. It is expected that construction of the replacement facilities will cost approximately the same amount. Therefore, no significant cost is expected to be incurred by the federal government as a result of enactment of this section.

Monies authorized by section 3 of the bill to reimburse designated school districts are assumed to be appropriated in the years authorized and disbursed equally over the five years such payments are authorized by the bill.

7. Estimate comparison: None.

8. Previous CBO estimate: On September 16, 1980, the Congressional Budget Office prepared a cost estimate for S. 1985, as ordered reported by the Senate Committee on Energy and Natural Resources, September 10, 1980. That bill was identical to section 1 of this version of S. 1985.

On September 24, 1980, a CBO cost estimate was prepared for S. 1803, as ordered reported by the House Committee on Interior and Insular Affairs, September 23, 1980. Section 4 of that bill was identical to section 3 of this version of S. 1985.

9. Estimate prepared by: Debbie Goldberg.

10. Estimate approved by:

L. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

INFLATIONARY IMPACT

Pursuant to Rule X, clause 2(1)(4) of the Rules of the House of Representatives, the Committee states that it believes that enactment of S. 1985 as amended would have no inflationary impact on the national economy.

OVERSIGHT STATEMENT

In accordance with the Committee's jurisdiction and responsibilities under the Rules of the House, the Committee on Interior and Insular Affairs will have continuing responsibility for oversight of the implementation of this bill after its enactment. No recommendations were submitted to the Committee pursuant to Rule X, clause 2(b)(2).

LEGISLATIVE HISTORY AND COMMITTEE RECOMMENDATION

S. 1985 passed the Senate on September 24, 1980. On November 18, 1980, the Committee on Interior and Insular Affairs, ordered the bill, as so amended, favorably reported to the House by voice vote.

DEPARTMENTAL REPORTS

No reports from executive departments concerning S. 1985 were received by the Committee prior to its consideration on November 18, 1980.

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